

FY24 DMV Budget Overview

January 25, 2023

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"With a commitment to excellence the dedicated employees of DMV strive to provide the highest level of customer service through the administration of motor vehicle laws and the promotion of highway safety."

Budgeted vs Actual Spending FY23

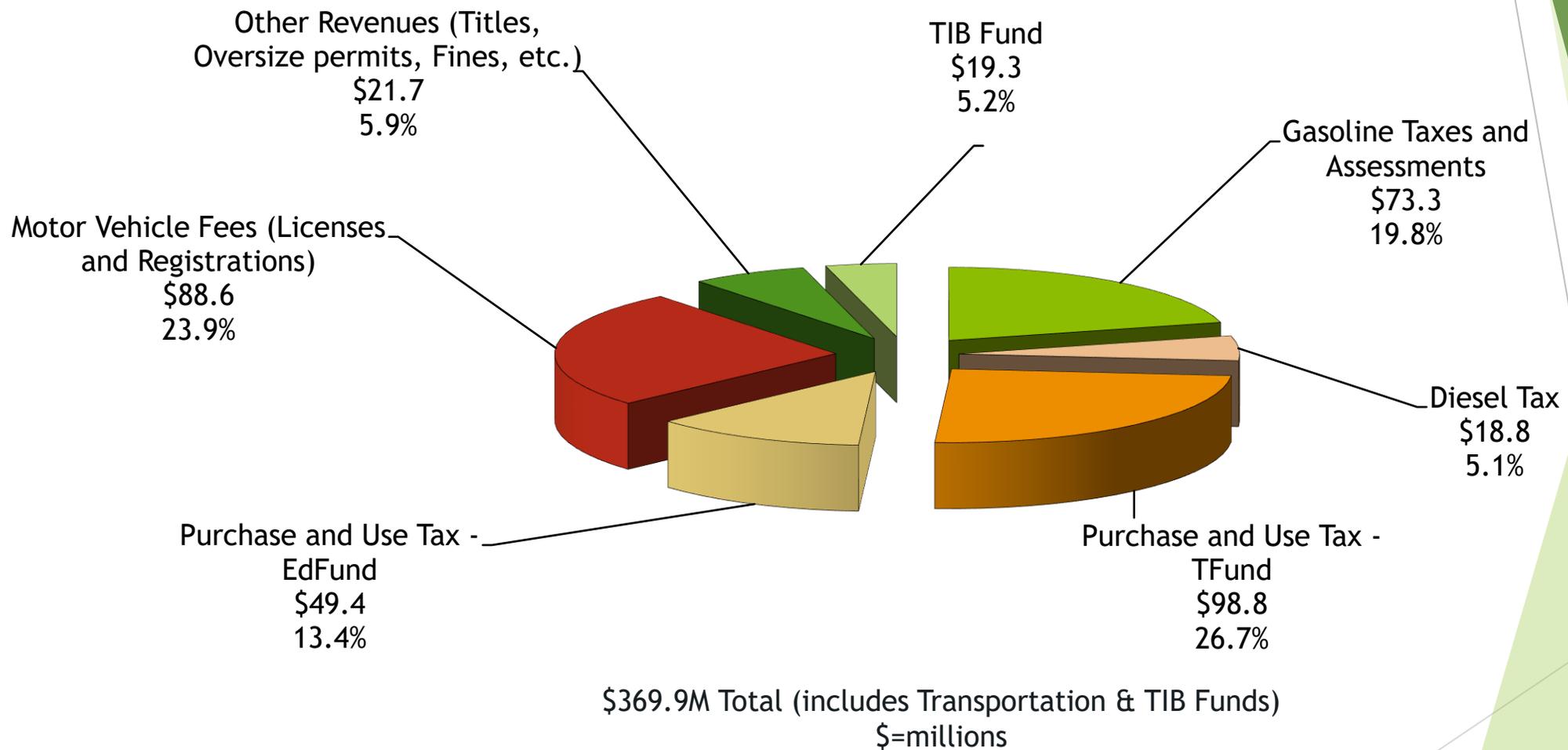
Budget Level	FY23 Budget*	FY23 Expenditures**	% Spent	Remaining
Personal Services	\$ 30,461,749	\$ 12,179,176	40%	\$ 18,282,573
Payroll & Benefits	\$ 23,425,527	\$ 10,764,440	46%	\$ 12,661,087
Contracts & 3rd Party Services	\$ 7,036,222	\$ 1,414,736	20%	\$ 5,621,486
Operating Expenses	\$ 13,355,141	\$ 4,898,478	37%	\$ 8,456,663
IT/Telecommunications Services	\$ 2,800,152	\$ 773,658	28%	\$ 2,026,494
Property, Maintenance & Rental	\$ 1,931,135	\$ 1,272,944	66%	\$ 658,191
Equipment, Hardware, Software	\$ 1,587,187	\$ 426,659	27%	\$ 1,160,528
General Operating/Supplies	\$ 554,750	\$ 269,707	49%	\$ 285,043
Travel	\$ 114,050	\$ 20,394	18%	\$ 93,656
Other Purchased Services	\$ 3,601,775	\$ 1,038,817	29%	\$ 2,562,958
Other Operating Expenses	\$ 2,766,092	\$ 1,096,299	40%	\$ 1,699,793
Totals	\$ 43,816,890*	\$ 17,077,654	39%	\$ 26,739,236

*Includes FY22 Carry Forward of \$4,075,056.86 for IT Projects, Core Expenses & Other Operating Expenses

**Expenditures through 12/31/2022
 FY23 Budget "As Passed" - \$39,741,834

State Transportation Fund Sources - FY24

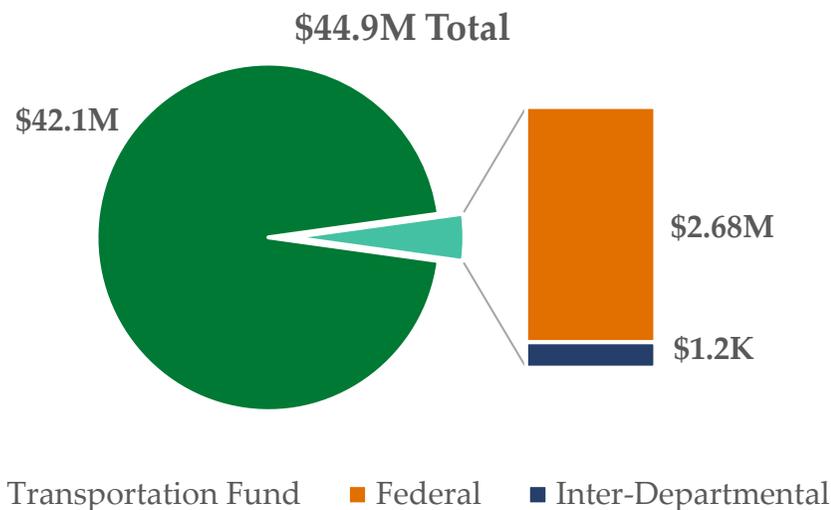
Source – January 2023 Economic Review and Revenue Forecast Update



Governor's Recommended Budget FY24

The FY24 proposed budget maintains the current level of service. This essential maintenance budget helps ensure the continuation of DMV services and offerings at all current locations. In addition, costs associated with transitional needs are included.

- DMV will collect an estimated \$369.9M in taxes and fees in FY24
- Increase in overall budget of \$5.2M (13.01%)
 - Personal Services - increase of \$3.93M (14.21%)
 - \$709K increase in Salaries and Wages; Vacancy Savings calculation as a percentage of classified salaries of 5% plus \$219K to include fringe benefits, \$556k for Governor's initiative to provide 24/7 E&S inspector availability, and 3 new grant funded E&S positions
 - \$876k increase in Fringe Benefits;
 - \$2.34M net increase in Contractual Services
 - Operating Costs - net increase of \$1.24M (10.25%)
 - \$255K increase in equipment costs
 - \$285K increase in bank service charges
 - \$107K increase in IT/Telecom Services & Equip.
 - \$17K increase in Other Purchased Services (postage, printing, HR services, etc.)
 - \$434K increase for CDL Testing site upgrade and estimated cost for TBD Springfield CDL site
 - \$34K decrease for Rental Property
 - \$127K increase for gasoline costs and increase costs for supplies
 - \$40K increase for MCSAP Grant-related mandatory training for all enforcement



Federal funds breakdown:

- Federal Highway Administration - \$100K
- Motor Carrier Safety Assistance Program - \$2.58M

FY24 DMV Crosswalk and Budget Variances

Overall increase of 13.01% (14.21% for Personal Services and 10.25% for Operating)

DMV BUDGET REQUEST	Transportation Fund	Federal	Interdept	FY24 Total Amount	FY23	Difference Between FY24 & FY23	COMMENTS
Department of Motor Vehicles (Appropriation DeptID 8100002100)	42,101,908	2,687,081	121,696	44,910,685	39,741,834	5,168,851	Total of Personal Service and Operations Difference
PERSONAL SERVICES							
Salaries and Wages	15,077,448	0	0	15,077,448	14,368,374	709,074	VANTAGE budgeting system wage calculations. Vacancy Savings calculated as a percentage of classified salaries 5% plus \$218,903 to include benefits; includes est \$556K for the Governor's initiative to provide 24/7 E&S inspector availability and 3 new grant-funded E&S positions (MSCAP 95%/5%).
Fringe Benefits	7,763,379	1,907,719	0	9,671,098	8,795,153	875,945	Contractually required benefits (health & retirement). Annual allocations provided for internal services such as Workers Comp, Unemployment Compensation, Catamount Health Assessment.
Contractual & 3rd Party Services	6,609,594	205,682	0	6,815,276	4,472,258	2,343,018	IT and Third Party Contracts-includes education, training, interpreter services, license production, IT projects and call center to schedule DMV appointments. IT line items include ePermitting, Stickers on Demand/AVIP inspections, CVO system, POS system, the Automated testing system, queuing/online scheduling system, Driver Tutorials, CVIEW (Commercial Vehicle data sharing), and NMVTIS (Title Info System). In addition, includes third party contractual costs for VALID for license production (VALID) and call center services for scheduling appointments for customers. New initiatives include \$2.375M for ePermitting solution, an additional \$120K for FAST/CVO Overnight IT support, and \$75k for cash handling banking services.
Per Diem	0	0	0	0	0	0	
Personal Services Subtotal	29,450,421	2,113,401	0	31,563,822	27,635,785	3,928,037	
OPERATING							
Equipment	628,316	145,684	22,000	796,000	540,500	255,500	Increased amount is due to \$150K for CORE modernization project equipment needs (printers and scanners) and increased MCSAP grant funding for E&S equipment.
IT/Telecom Services & Equipment	2,491,777	123,948	0	2,615,725	2,507,747	107,978	Increase due to ADS services/allocated fee and increased phone expenditures estimated at 3%.
Other Operating Expenses	2,995,635	0	51,621	3,047,256	2,766,092	281,164	\$285k increase in Bank charges (banking, lockbox, credit card services, courier costs).
Other Purchased Services	3,554,518	31,928	32,775	3,619,221	3,601,775	17,446	\$16k for Statute obligation to pay for towing of abandoned vehicles.
Property & Maintenance	566,725	9,975	0	576,700	143,200	433,500	Increase of \$130K for needed CDL Testing Site upgrades to align with newly approved federal testing model and TBD Springfield CDL site - estimated annual costs for Springfield \$96,000, and Fit up of the space \$200K
Rental Other	480,509	99,491	0	580,000	568,000	12,000	Per Allocation provided by AOT/F&M
Rental Property	1,185,708	0	0	1,185,708	1,219,935	(34,227)	Per Allocation provided by AOT/F&M-removes Middlebury
General Operating/Supplies	544,249	122,516	15,300	682,065	554,750	127,315	Increase of \$65K in gasoline costs to align with FY22 actual expenditures and remaining \$28K reflects the increased costs for supplies.
Travel	114,050	40,138	0	154,188	114,050	40,138	Increase of \$40K for MCSAP Grant-related mandatory training for all Enforcement (MCSAP 95%/5%).
Repair & Maintenance Services	90,000	0	0	90,000	90,000	0	
Operating Subtotal	12,651,487	573,680	121,696	13,346,863	12,106,049	1,240,814	
GRANTS							
Grants Subtotal	0	0	0	0	0	0	DMV does not issue grants.
DMV FY24 Budget Request:	42,101,908	2,687,081	121,696	44,910,685			

DMV Core System Modernization Funding

- **FY22 - Budget Adjustment Act:**

- The 2022 Governor's Recommend Budget Adjustment Act (BAA) proposes to swap the remaining \$28.82 million IT projects from ARPA to General Funds (GF). That would include the balance of the \$24.5 million DMV IT project still funded by ARPA.
- Background - 2021 Act 74 contained \$52 million ARPA in tech investments (Sec. G.501), which included \$24.5 million for DMV IT Core System Modernization Project. Also in Act 74, to the extent there was GF surplus, \$100 million could swap from ARPA Funds to GF. Of that \$100 million swap, \$10.38 million was for DMV IT and another \$12.8 was for other IT. That left \$28.82 million in of the original \$52 million still in ARPA IT.

- **FY23 - Governor's recommended budget:**

- Sec. B.1100.1 FISCAL YEAR 2023 ONE-TIME TRANSPORTATION FUND APPROPRIATIONS
(a) In fiscal year 2023, funds are appropriated from the Transportation Fund as follows:
(1) To the Department of Motor Vehicles: \$20,250,000.00 for DMV Core System Modernization Phase II.

What it does: Completes the modernization of DMV core system, allows end-to-end processing of transactions, and puts DMV in best position to utilize the system that the legislature has already invested in.

EXPLANATION: A one-time appropriation, in an amount equal to that previously transferred annually to the Department of Public Safety – Vermont State Police, to fund the continued implementation for the modernization project.

- **FY24 - BAA Amendment to Big Bill**

- Sec. B.1100 FISCAL YEAR 2023 ONE-TIME TRANSPORTATION FUND APPROPRIATIONS
 - ▶ The BAA contains clarifying language in the B.1100s to appropriate the full \$20.25 million from the Technology Modernization Special Fund to ADS to be spent on the DMV Core System Modernization project. Also, Section E.105.2 of the BAA cleans up unnecessary budgetary language – since the full \$20.25 million needed to fund the project is now available in FY2023 from the FY2022 year-end surplus (and appropriated elsewhere in the B.1100s to fund the DMV project) and this language is no longer needed.